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*Response to Office Action
App No. 10/046,351*

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Appn. Number: 10/046,351

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Appn. Filed: 2002 Jan 14

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Applicant: Daniel David Lang

Title: Monetary funds with attributes

Examiner: Elisca, P

Las Vegas, NV 2004 April 30

Response to Office Action

Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Sir:

In response to the Office Action mailed 2004 April 15:

Response—General

The Objection to the Specification and the Claims Rejection Under 112

Claim Rejections—35 USC 112

The Office Action, (O.A.) rejected Claim 1 under 35 U.S.C. 112 second paragraph which states:

"The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention"

The O.A. 5. states: Claim 1 rejected under 35 U.S.C. 112 second paragraph because claim recites a "means of storing funds". A method claim is not required to have a "means plus function."

Applicant Response: 35 U.S.C. 112 second paragraph does not require the elimination or inclusion of "means plus function"

Claim rejections -35 USC 103 is Overcome

Applicant requests reconsideration of this rejection for the following reasons:

Nel's proposed combination of self service terminals as well as the self service direct selling of products to consumers does not provide the novel features of the Applicant's invention. In fact Nel combination eliminates the noval features of the Applicant's invention.

Nel (U.S. Pat. No. 6,507,823) Background and Specification states in numerous places that Nel's invention intends to fully exploit ATM machines and existing infrastructures to provide additional services from ATMs. For example in Nels' Background of the invention Nel states that the advantage of ATMs is that they reduce over-the-counter service personnel and provides self-service capabilities. Both Nel's Invention background and Specification revolve around the use of self-service ATM (POS terminals) to sell products directly to the consumer.

Other examples of this is included in Nel's
DESCRIPTION OF EMBODIMENTS

"For the purposes of this specification, the term "data exchange terminal" shall be taken to include bank service terminals such as an automatic teller machine (ATM), a so-called self service teller (SST) and a client-activated terminal (CAT)."

"While "home shopping" via computers is known, the problem with such systems is that a large percentage of the population do not have access to personal computers on which purchases can be made in this way. The widespread distribution of ATM's throughout South Africa has the result that ATM's are accessible to a large percentage of the population, particularly in urban areas. It is envisaged that, through the transaction processing system 10, a large percentage of the population will have access to the convenience and speed of purchasing products via a computer. ATM's included in the system 10 also allow purchasers to conduct transaction at any time of the day or night without the need for carrying or producing cash. Finally, the system 10 can be implemented using current ATM's and ATM networks, and will not require a large capital layout."

Nel's **BACKGROUND OF THE INVENTION**

"THIS invention relates to a system for conducting a financial transaction between a purchaser and a vendor of a product, and to a method of conducting such transactions.

Efforts by banks to provide customers with improved service and access to banking facilities have resulted in an increasingly large number of automatic teller machines (ATM's) being installed at shopping centres and at banks themselves. The ATM network has consequently grown to cover almost every corner of the country and, at least in urban areas, an ATM can easily be accessed by a large percentage of the population.

ATM's are particularly attractive to both banks and customers as they allow bank customers to perform routine banking transactions at locations and times that are convenient to the customer. The need for over-the-counter service personnel at banks has also been reduced as more customers make use of ATM's to withdraw and deposit cash, and to obtain financial statements relating to their bank accounts. Banks have also benefitted from the increased number of banking transactions that have occurred as a result of the proliferation of ATM's in that increased revenues have been generated as transaction fees.

While the success of ATM's is undoubtedly, the services currently offered by ATM's are limited, and the capabilities of ATM's have not been fully exploited."

The Rejection Of Claim 1 Under 35 USC 102 Is Overcome

The References and Differences of the present Invention Thereover

The Applicant will discuss the references and the general novelty of the present invention and unobviousness over the references

Nel uses self service terminals such as ATM's to provide products to consumers by debiting one electronic account for payment of the product and crediting another electronic account. Nel's Abstract also reflects this:

Abstract

A method of conducting a financial transaction between a purchaser and a vendor of a product, the purchaser and the vendor each having an account held at respective first (A) and second (B) financial institutions. The method requires the provision of at least one vendor database 24 including product-related information, for example regarding the availability and price of a product. A publicly accessible data exchange terminal, typically an automatic teller machine (ATM) 112, is linked to the vendor database. The

system then interrogates the purchaser to obtain transaction-related information via the terminal by requiring the purchaser to indicate a number of transaction options. The terminal is linked to the first financial and second financial institutions to provide access to the purchaser's and vendor's accounts. The system then transfers funds electronically between accounts for the value of the transaction. Of course, the first and second financial institutions may be the same financial institution.

Mellen uses a GPS or similar type system to lock or unlock a mobile container. Mellen's abstract:

Abstract

An access control system prevents a mobile container from being compromised/opened during transit, through the use of a programmable electronic lock, which can be unlocked only by means of an enabled electronic key that has been programmed with geographical location data representative of the destination site of the container. When the mobile container arrives at its destination, the key is coupled with a comparator, which compares the geographic location information in the key with real time geographic location information from a geographic location detection unit associated with the mobile container. In response to a match, the comparator enables the key for a prescribed period of time. The key may then be inserted into the programmable electronic lock, which reads the key to determine whether it has been enabled. If the key is enabled, the lock can be unlocked, to provide access to the container.

The last O.A. notes that Nel's system does the following:

1. Uses an access code to verify authorization of the transaction
2. It is also envisaged that the "SELECTION VALID?" procedure may include other check procedures which, for example, may prohibit a purchaser from performing a certain transaction if he or she is below a certain age, or is disqualified on some other ground from performing the transaction.
3. a means of storing funds in a electronic accessible form
4. An instrument that contains information to facilitates access to said funds.

However Nel use of an access code to allow access to the purchaser financial institution accounts through a self service terminal such as an ATM relies on the fact that the access code and or card is not stolen or borrowed. Nel does not anticipate that the access code could be stolen and lacks the applicant's invention novel feature to ensure that the person providing the item of value or funds is truly the person expected and that their age and geographical attributes are verified and validated. Nel exploitation of self service terminals such as ATMs does not provide the ability to check whether the information provided by the purchaser is true and whether the card is stolen etc. The Applicant's invention utilizes employee or partner operated Point of Sale (POS) system where human intervention by "over-the-counter" personnel verifies and validates ID of the purchaser and the item of value provided by the purchaser. Nel proposes the use of existing self

service terminals such as ATM's to eliminate "over-the-counter" personnel and home based personal computers for purchasing.

Nel's abstract and claims 1 through 12 states that 2 accounts are needed to allow the purchaser to buy products at a self service terminal.

The Applicant's method provides the ability to accept a variety of coupons, currency and other items of value. These items can then be converted by an employee to electronic funds that the employee or agent has verified and validated the age and identity of the purchaser. The Applicant's method allows the use of additional types of funds such as currency, coins, travel checks and other physical instruments of value in a electronic, networked, wired transactions environment. Losses and issues due to "card-not-present" transactions are eliminated. Once funds are converted and validated, anonymity of the purchasers can be maintained as no private information is needed. Nel's does not. Therefore, Nel lacks the ability to check age if the access code is compromise through theft or is loaned and or borrowed.

Nel and Mellen Do Not contain any Justification to Support Their Combination, Much Less in the Manner Proposed

With regard to the purposed combination of Nel and Mellen, it is well known that in order for any prior-art references to be validly combined for use in a prior art 103 rejection, the references themselves(or some other prior art) must suggest that they be combined. Eg., as was stated in *In re Sernaker*,217 U.S.P.Q. 1, 6 (C.A.F.C. 1983):

"Prior art references in combination do not make an invention obvious unless something in the prior art references would suggest the advantage to be derived from combining their teachings"

This is forcefully stated in *Orthopedic Equip. Co. v. United States*, 702 F.2d 1005, 1012, 217 USPQ 193, 199 (Fed. Cir. 1983) ("It is wrong to use the patent in suit[here the patent application] as a guide through the maze of prior art references, combining the right references in the right way so as to achieve [a desired result].")

FACT THAT REFERENCES CAN BE COMBINED OR MODIFIED IS NOT SUFFICIENT TO ESTABLISH PRIMA FACIE OBVIOUSNESS

The mere fact that references can be combined or modified does not render the resultant combination obvious unless the prior art also suggests the desirability of the combination. *In re Mills*, 916 F.2d 680, 16 USPQ2d 1430 (Fed. Cir. 1990)

FACT THAT THE CLAIMED INVENTION IS WITHIN THE CAPABILITIES OF ONE OF ORDINARY SKILL IN THE ART IS NOT SUFFICIENT BY ITSELF TO ESTABLISH PRIMA FACIE OBVIOUSNESS

A statement that modifications of the prior art to meet the claimed invention would have been "well within the ordinary skill of the art at the time the claimed invention was made" because the references relied upon teach that all aspects of the claimed invention were individually known in the art is not sufficient to establish a prima facie case of obviousness without some objective reason to combine the teachings of the references. Ex parte Levengood, 28 USPQ2d 1300 (Bd. Pat. App. & Inter. 1993).

In line with these decisions, recently the Board stated in Ex parte Levengood, 28 U.S.P.Q.2d 1300 (P.T.O.B.A.&I. 1993):

"In order to establish a prima facie case of obviousness, it is necessary for the examiner to present evidence, preferably in the form of some teaching, suggestion, incentive or inference in the applied prior art, or in the form of generally available knowledge, that one having ordinary skill in the art would have been led to combine the relevant teachings of the, applied references in the proposed manner to arrive at the claimed invention. ... That which is within the capabilities of one skilled in the art is not synonymous with obviousness. ... That one can reconstruct and/or explain the theoretical mechanism of an invention by means of logic and sound scientific reasoning does not afford the basis for an obviousness conclusion unless that logic and reasoning also supplies sufficient impetus to have led one of ordinary skill in the art to combine the teachings of the references to make the claimed invention... Our reviewing courts have often advised the Patent and Trademark Office that it can satisfy the burden of establishing a prima facie case of obviousness only by showing some objective teaching in either the prior art, or knowledge generally available to one of ordinary skill in the art, that 'would lead' that individual 'to combine the relevant teaching of the references.' ... Accordingly, an examiner cannot establish obviousness by locating references which describe various aspects of a patent applicant's invention without also providing evidence of the motivating force which would impel one skilled in the art to do what the patent applicant has done."

In the present case, there is no reason given in the last O.A. to support the proposed combination, other than the statement "Therefore, it would have been obvious to a person of ordinary skill in the art at the time the invention was made to modify the financial transactions of Nel by including the limitation detailed above as taught by Mellen because this would verify unauthorized access based on the users location." However the

fact that Mellen's reference teaches an access control system which compares the geographic location in a key with real time geographic location information from a geographic location detection unit associated with a mobile container is not sufficient to gratuitously and selectively substitute parts of one reference (Mellen's access system) for a part of another reference in order to meet applicant's novel claimed combination.

The O.A. noted that the combination of Nel and Mellen produces an advantage (verifies unauthorized access based on the user's location). The Applicant submits the fact that the combination produces advantages militates in favor of the applicant because it proves that the combination produces new and unexpected results and hence is unobvious.

As stated in the above Levengood case,

"That one can reconstruct and/or explain the theoretical mechanism of an invention by means of logic and sound scientific reasoning does not afford the basis for an obviousness conclusion unless that logic and reasoning also supplies sufficient impetus to have led one of ordinary skill in the art to combine the teachings of the references to make the claimed invention."

Applicant therefore submits that combining Nel and Mellen is not legally justified and is therefore improper. Thus the Applicant submits that the rejection on these references is also improper and should be withdrawn.

The Applicant respectfully request, if the claims are again rejected upon any combination of references, that the Examiner include an explanation, in accordance with M.P.E.P. 706.02, Ex parte Clapp, 27 U.S.P.Q. 972 (P.O.B.A. 1985), and Ex parte Levengood, supra, a "factual basis to support his conclusion that it would have been obvious" to make the combination.

Both Nel and Mellen are Individually Complete:

Each reference is complete and functional in itself, so there would be no reason to use parts from or add or substitute parts to any reference.

Both references Solves different problems:

Nel seeks to solve the need of "over-the-counter" personnel and the need of personal computers to purchase products. Mellen seeks to solve cargo theft and unauthorized access to mobile truck container such as trailers by not allowing the mobile container to be opened between its departure location and its intended destination.

The applicant's invention solves geographical jurisdiction and/or age compliance, tax regulation, the conversion of both non-electronic and electronic items of value (and/or funds) and attributes to a verified and validated electronic accessible form.

Even if Nel and Mellen were to be combined in the manner proposed. The proposed combination would not show all the novel features of the Applicant's Invention

However even if the combination of Nel and Mellon were legally justified, the Applicant's invention would still have novel (an unobvious) features over the proposed combination. In other words, the applicant's invention comprises much more than merely substituting a geographical location access control system. Mellen lacks a method to provide geographical location attributes on the actual provider of item of value,(such as funds). Mellen FIG. 4, 407 for example enables the key to open a lock if the mobile container is at the geographical location. Therefore, Mellen lacks the applicant's invention novel features that allow the funds to used based on the purchaser geographical residence and or where the item of value or funds were collected. Neither Nel or Mellen and or the combination of Nel and Mellen provides the ability to verify and validate the age and or geographical attributes of the item of value(funds) provider if the funds provider's access code is stolen or borrowed or if GPS is not available. Mellen lacks the ability to check if the funds provider is a resident of the geographical location or that the funds were collected in a geographical region. Even with extensive modification Mellen system would only verify the location of the geolocation device and not whether the funds were submitted remotely.

Specifically, the Applicant's invention provides a method of acquiring funds including non-electronic items of value, including coupons, certificates, currency among others and converts these items of value to an electronic accessible form. It provides checks and balances against stolen cards and access codes. It verifies and validates attributes such as age and location that could include both geographical residence and or the geographical location the funds were provided. It eliminates the risk of card-not-present transactions.

The Novel Features of the Applicant's Invention Produce New and Unexpected results and Hence are Unobvious and Patentable Over These References Under 103

The Applicant submits that the novel features of the Applicant's invention are also unobvious and hence patentable under 103 since they produce new and unexpected results over Nel and Mellen, or any combination thereof.

These new and unexpected results are the ability of the applicant's method to accept both electronic, non-electronic, monetary and non-monetary items of value converting these items of value to electronically accessible form with checks and balances to verify and validate attributes of the person providing the item value. The checks and balances safeguards against stolen access codes and cards as well as validating the age of "the items of value" provider without relying on possibly stolen access codes and or cards for age verification. These attributes include age and geographical location, which can be used not only for access control but marketing, government regulation and tax collection

based on both age and or location as well as geographical residence. These attributes can be used with ID checks to enable fraud detection and the implementation of so-called black lists to prevent unauthorized or problem users.



Daniel David Lang, Inventor